MINISTRY OF JUSTICE AND ATTORNEY GENERAL

VICTIMS' FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2011

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

SASKATCHEWAN

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Ministry of Justice and Attorney General - Victims' Fund, which comprise the statement of financial position as at March 31, 2011, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2011, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
July 20, 2011

Bonnie Lysyk, MBA, CA
Provincial Auditor

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
VICTIMS' FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2011	2010
Financial assets		
Due from General Revenue Fund (Note 6)	$ 7,022,156	$ 5,611,159
Accounts receivable (Note 7)	2,040,681	1,881,930
Due from Public Guardian and Trustee (Note 8)	872,029	822,381
Total financial assets	9,934,866	8,315,470
Liabilities		
Accounts payable	147,661	88,628
Employee leave entitlement	44,857	46,859
Deferred revenue (Notes 2b and 10)	882,225	366,760
Total liabilities	1,074,743	502,247
Net financial assets	8,860,123	7,813,223
Non-financial assets		
Tangible capital assets (Notes 2d and 4)	85,300	41,070
Accumulated surplus	$ 8,945,423	$ 7,854,293

Commitments (Note 11)

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
VICTIMS' FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	Budget 2011 (Note 12)	Actual 2011	Actual 2010 (Note 13)
Revenue:			
Surcharge revenue	$ 5,000,000	$ 7,096,283	$ 6,818,922
Grant – Ministry of Justice and Attorney General (Note 9)	-	230,000	1,463,000
Investment income (Note 8)	-	97,384	45,873
Federal cost sharing revenue	-	147,699	252,868
Other	-	27,475	50,004
Total revenue	5,000,000	7,598,841	8,630,667
Expense:			
Administration costs	735,000	681,242	704,398
Bad debt	-	349,197	384,074
Crime prevention grants	300,000	325,400	-
Crisis intervention services	3,208,000	3,088,182	3,030,954
Victim/Witness Services	388,000	399,260	364,445
Compensation payments	600,000	367,427	375,325
Domestic violence courts	394,000	407,018	389,754
Proceeds of crime	-	25,000	-
Restitution program	379,000	162,141	161,884
Research, evaluation and prevention	648,000	626,035	605,226
Education and training	112,000	76,809	86,349
Total expense (Schedule 1)	6,764,000	6,507,711	6,102,409
Surplus for the year	$ (1,764,000)	1,091,130	2,528,258
Accumulated surplus, beginning of year		7,854,293	5,326,035
Accumulated surplus, end of year		$ 8,945,423	$ 7,854,293

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
VICTIMS' FUND
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended March 31

	Budget 2011	Actual 2011	Actual 2010
Surplus for the year	$ (1,764,000)	$ 1,091,130	$ 2,528,258
Acquisition of tangible capital assets	-	(54,215)	(45,633)
Amortization of tangible capital assets	4,563	9,985	4,563
	4,563	(44,230)	(41,070)
Increase in net financial assets	(1,759,437)	1,046,900	2,487,188
Net financial assets, beginning of year	7,813,223	7,813,223	5,326,035
Net financial assets, end of year	$ 6,053,786	$ 8,860,123	$ 7,813,223

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
VICTIMS' FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2011	2010
Operating activities		
Cash received from:		
Surcharge	$ 6,529,971	$ 6,128,942
Other	1,076,389	2,110,337
	7,606,360	8,239,279
Cash paid for:		
Salaries	1,084,104	1,009,135
Other	5,007,395	4,652,731
	6,091,499	5,661,866
Cash provided by operating activities	1,514,861	2,577,413
Capital activities		
Purchase of tangible capital assets	(54,215)	(45,633)
Investing activities		
Purchase of investments through Public Guardian and Trustee	(49,649)	(35,413)
Increase in cash and cash equivalents	1,410,997	2,496,367
Due from General Revenue Fund, beginning of year	5,611,159	3,114,792
Due from General Revenue Fund, end of year	$ 7,022,156	$ 5,611,159

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
VICTIMS' FUND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2011

1. Authority

The Victims' Fund (Fund) was established by *The Victims of Crime Act*, and continues under the authority of *The Victims of Crime Act, 1995* (Act). The Fund receives all provincial and federal fine surcharges assessed under the Act and under the Criminal Code of Canada. The Ministry of Justice and Attorney General collects surcharges and remits to the Fund. The Act permits expenditures from the Fund to promote and deliver services and benefits to victims; conduct research and distribute information respecting victims' services, needs and concerns; and for crime prevention and administration.

2. Significant Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board, the Fund is classified as an other government organization. The Fund uses Canadian generally accepted accounting principles applicable to the public sector. The following accounting policies are considered to be significant.

a) Basis of accounting

The financial statements are prepared on the accrual basis of accounting.

b) Revenue

i) Surcharge and other sources

Surcharges are recorded as revenue when imposed. Other sources of revenue are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Valuation allowance for the imposed surcharges is calculated based on the past history.

ii) Deferred revenue

Proceeds of crime revenue from the Federal Government is recognized in the year the related expenses are incurred.

iii) Federal cost sharing revenue

From time to time, the Fund makes cost sharing agreements with the Federal government to provide enhancements to victims' programs in Saskatchewan. In accordance with the agreements, the Fund recognizes revenue when the related expenses are incurred.

c) Community grants expense

Grants are expensed when approved and the recipient has met eligibility criteria.

d) Tangible capital assets

Tangible capital assets costing greater than $500 and have a useful life greater than one year are capitalized and amortized on a straight-line basis over the assets useful life.

e) Use of estimates

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in the period when they are identified.

The allowance for doubtful accounts on the surcharge receivable is the most significant estimate in the financial statements.

3. Financial Instruments

The Fund has the following financial instruments:
- due from General Revenue Fund,
- due from Public Guardian and Trustee,
- accounts receivable,
- accounts payable.

The following paragraphs provide information about the risks associated with these financial instruments and the fair values of those instruments.

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on cash flows, financial position and income.

The Fund is exposed to interest rate risk as the value of its financial instruments fluctuates due to changes in market interest rates.

The Fund's cash is held in the General Revenue Fund (a related party) and interest is paid at standard rates paid by the Government of Saskatchewan (see Note 6).

As market interest rates fluctuate, the market value of the Fund's investments held with the Public Guardian and Trustee moves in the opposite direction. This risk may affect the price the Fund can sell the investments for prior to maturity. To mitigate this risk the Public Guardian and Trustee works with an investment advisor that actively manages asset class allocations through a balanced approach.

The Fund's receivables and payables are non-interest bearing and as a result there is no interest rate risk associated with these financial instruments.

b) Credit risk

The Fund is exposed to credit risk from potential non-payment of amounts due from General Revenue Fund, accounts receivable and due from the Public Guardian and Trustee.

Due from Public Guardian and Trustee represents the Fund's portion of the investments of the Public Guardian and Trustee in government and government guaranteed bonds, corporate bonds, and shares in Canadian and foreign companies. Credit risk is minimal for government and government guaranteed bonds. Credit risk for corporate bonds is related to investees' abilities to redeem their bonds upon maturity. The Public Guardian and Trustee limits the credit risk by investing in securities considered to be high quality.

The Fund's accounts receivable arise from fine surcharges assessed against individuals. Credit risk associated with accounts receivable relates to unpaid fine surcharges. The amount of fine surcharges which will eventually be collected is difficult to measure. The amount at which accounts receivable are stated in the financial statements is an estimate of fine surcharges which will be collected, based on the Fund's past experience.

c) Fair value

For the following instruments, the fair values approximate their carrying value due to their immediate or short-term nature:

Due from General Revenue Fund
Accounts receivable
Accounts payable

The fair value of due from Public Guardian and Trustee at March 31, 2011 approximates its carrying value as the amount reflects market values of the underlying investments (see Note 8).

4. Tangible Capital Assets

	2011	2010
Opening costs	$ 45,633	$ 113,160
Disposals	-	(113,160)
Additions during the year	54,215	45,633
Closing costs	99,848	45,633
Opening accumulated amortization	4,563	113,160
Disposals	-	(113,160)
Annual amortization	9,985	4,563
Closing accumulated amortization	14,548	4,563
Net book value	$ 85,300	$ 41,070

Tangible capital assets consist of audio/visual equipment.

Annual amortization is included in administration costs in the Statement of Operations.

5. Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, ministries, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). During the year, the Fund received certain administrative services from the Ministry of Justice and Attorney General and the Ministry of Finance without charge.

Other transactions with related parties and amounts due to or from them are described elsewhere in these financial statements.

6. Due from General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund.

The Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Fund using the Government's 30 day borrowing rate and the Fund's average daily bank account balance. The Government's average 30 day borrowing rate in 2011 was 0.80% (2010 – 0.27%).

7. Accounts Receivable

This amount represents surcharges due to the Fund on account of fines levied against, but not yet paid, by individuals, and miscellaneous receivables. The balance at March 31 consists of:

	2011	2010
Total surcharge receivable	$ 7,786,012	$ 7,219,699
Allowance for doubtful accounts	(5,987,393)	(5,638,196)
Net surcharge	1,798,619	1,581,503
Federal/Provincial cost sharing agreement receivable	225,573	297,398
Other accounts receivable	16,489	3,029
Total accounts receivable	$ 2,040,681	$ 1,881,930

8. Due from Public Guardian and Trustee

The Fund invests a portion of its surplus funds through the Public Guardian and Trustee (PGT) for Saskatchewan. PGT invests these monies, together with monies it administers for its other clients. PGT allocates income earned together with part of the change in market values of investments, annually to its clients, including Victims' Fund.

The Fund records amounts PGT allocates as investment income or loss and adjusts the carrying value of due from PGT in the same amount.

9. Grant from Ministry of Justice and Attorney General

The grant from the Ministry of Justice and Attorney General reflects funding for victims' programs from the Ministry to manage and pay for certain programs.

10. Deferred Revenue

Under the federal *Seized Property Management Act* and the Forfeited Property Sharing Regulations, the Federal Government receives monies from seizures made by police during drug and other illegal activity investigations. On April 17, 2000 the Province entered into an agreement with the Federal Government that specifies these proceeds are to be used to support crime prevention, issues of substance abuse, and law enforcement.

	2011	2010
Deferred revenue consists of:		
Monies for RCMP operations directed at organized crime	$ 673,789	$ 268,440
Monies for public education and crime prevention	208,436	98,320
Total deferred revenue	$ 882,225	$ 366,760

Government transfers with restrictions are recorded as deferred revenue in accordance with the Restricted Assets and Revenues section of the Public Sector Accounting Board (PSAB) Handbook. The Restricted Assets and Revenue Section will no longer apply to government transfers effective with the implementation of the new Government Transfers section of the PSAB Handbook. The Fund is currently examining the impact of implementing the new Government Transfers section effective April 1, 2011. The new Government Transfers section is required to be implemented by April 1, 2012.

11. Commitments

The Fund enters into two-year agreements with various organizations to provide victim services programs throughout the Province. The Fund has the following annual contractual commitments for the fiscal years ending 2012 and 2013.

	2012	2013
Police-based programs	$ 2,489,898	$ 2,489,898
Specialized programs	216,331	216,331
Domestic violence programs	615,429	615,429
Children exposed to violence programs	548,626	548,626
Aboriginal family violence programs	479,996	479,996
Total contractual commitments	$ 4,350,280	$ 4,350,280

12. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Fund's budget annually.

13. Comparative Figures

Certain prior year amounts have been reclassified to conform to the current year's presentation.

Schedule 1

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
VICTIMS' FUND
SCHEDULE OF EXPENSE BY OBJECT
For the Year Ended March 31

	2011	2010
Expense:		
Community grants	$ 4,446,636	$ 4,025,936
Salaries	1,082,102	1,012,653
Crime prevention program	25,000	-
Compensation awards	367,427	375,325
Administration	212,266	243,803
Systems expenses	15,098	56,055
Amortization	9,985	4,563
Bad debt	349,197	384,074
	$ 6,507,711	$ 6,102,409

Personal Services

Listed are individuals who received payments for salaries, wages, honorariums, etc. which total $50,000 or more.

Goulet, Melvina	$	79,181
Hala, Kim		64,963
Hildebrandt, Marie		57,272
Hourie, Trisha		52,534
Lawrence, Dwight		97,918
McKendrick, Rod		86,712
Mayrs, Kim		50,975
Sanderson, Garry		60,410
Selinger, Murray		75,075
Thiele, Patrick		113,291

Transfers

Listed are transfers to recipients who received $50,000 or more.

Athabasca Health Authority Inc.	$ 81,273
Battlefords Victim Services Inc.	170,447
Buffalo Regional Victim Services Inc.	123,925
Catholic Family Services of Prince Albert Inc.	78,859
Catholic Family Services of The Battlefords Inc.	80,475
Churchill River Regional Victim Services Inc.	154,094
Circle Project Association Inc.	121,635
Envision Counselling and Support Centre Inc	51,176
Family Service Regina Inc.	349,206
Family Service of Saskatoon	239,072
Indian & Metis Friendship Centre Inc. Prince Albert	54,568
Kanaweyimik Child and Family Services Inc.	75,810
Midwest Victim Services	54,364
Moose Jaw Police Service	73,464
Moose Jaw Transition House Inc.	54,146
Northeast Regional Victim Services Inc.	166,301
Northern Region Victim Services	146,228
Northwest Regional Victim Services Inc.	77,815
P.A. Outreach Program Inc.	109,800
Parkland Victims Services Inc.	161,740
Prince Albert Grand Council Women's Commission	56,506
Prince Albert Police Service	181,751
Prince Albert Regional Victim Services Inc.	133,912
Rainbow Youth Centre	50,300
Regina Police Service	214,549
Regina Region Victim Services Inc.	132,855
Regina Women's Community Ctr & Sexual Assault Line Inc.	73,179
Saskatoon Indian & Metis Friendship Centre Inc.	122,636
Saskatoon Police Service	214,475
Saskatoon Sexual Assault & Information Centre Inc.	82,645
Society for the Involvement of Good Neighbours Inc.	59,862
South West Victim Services Inc.	98,085
Southeast Regional Victim Services Inc.	110,063
Street Worker's Advocacy Project	56,447
Young Women's Christian Association of Regina	83,575

Supplier Payments

Listed are payees who received more than $50,000 for the provision of goods and services.

Nil